

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6646**

**BILL NUMBER: HB 1117**

**DATE PREPARED:** Dec 5, 2001

**BILL AMENDED:**

**SUBJECT:** IURC Jurisdiction over Utility Mergers.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that the Utility Regulatory Commission (IURC) has jurisdiction over mergers of public utilities, utility companies, and holding companies of public utilities and utility companies. The bill requires the Commission to issue an order not later than 180 days after a petition for approval of a merger is filed.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** This bill increases the authority of the IURC over mergers, reorganizations, or the acquisition of control of certain public utilities. While this bill will expand the IURC's authority over mergers and reorganizations and potentially increase the number of hearings held by the IURC, any impact on the Commission is expected to be absorbed using its current budget and resources. The Office of the Utility Consumer Counselor (OUCC) would also participate in any utility merger approval proceedings. Any additional cost to the OUCC is also expected to be covered using existing personnel and resources.

*Background on IURC and OUCC Funding:* The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2001, fees from the utilities and fines generated approximately \$8.6 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

**Local Agencies Affected:**

**Information Sources:** Indiana Utility Regulatory Commission, *2000-2001 Annual Report*; Mike Leppert, Executive Director, IURC, (317) 232-1724; Anthony Dzwonar, External Affairs Director, OUCC, (317) 232-2494.